



November 20, 2018

Item No. 1

APPROVAL OF FY2019 COMPREHENSIVE BUDGET

Presenters: Michael Moran, Chief Financial Officer
Alexis Zhao, Budget Director

RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt the FY2019 Comprehensive Budget.

The requested action complies in all material respects with all applicable federal, state and local laws, and Chicago Housing Authority board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

GENERAL BACKGROUND

The Chicago Housing Authority is required to submit for approval by the Board, a balanced annual Comprehensive Budget detailing each of its funding sources (MTW Fund, Section 8 Non-MTW fund, HOPE VI and Other Grant Programs) and the use of budgeted funds.

The FY2019 Comprehensive Budget totaling \$1.104 billion includes the following fund categories:

- **MTW Fund.** Total sources for FY2019 is \$836.5 million. The MTW Fund combines the Low-Rent, Capital and Section 8 programs into a block grant as allowed by HUD under the Amended and Restated MTW agreement. Total MTW Fund revenues consist of Housing Assistance Subsidy, Capital Grant Funds, Operating Subsidy, MTW Reserves, Block Grant, Dwelling Rental Income, RAD, Interest Income and Other Income.
- **Section 8 Fund (Non-MTW).** Total sources for this program is \$19.3 million. These contracts provide appropriations for approximately \$7.5 million of Mod Rehab vouchers, \$11.4 million Veteran's Affairs Supportive Housing (VASH) vouchers, and \$471.1 thousand Mainstream vouchers for housing assistance based on annual contributions contracts from HUD.

- **Hope VI Fund.** Total sources equal \$400 thousand. These funds are used for revitalization and community and supportive services programs.
- **Other Funds.** Total sources are \$247.5 million. \$109.7 million of proceeds from the \$325 million bond issue that closed in September 2018 will be used to fund capital maintenance and repairs at CHA public housing and provide loans to mixed-income developments. Additionally, other federal and local grants will be used to enhance or augment funding for critical programs and services that the CHA provides to its residents.

The estimated sum of all sources for FY2019 is equal to the estimated sum of all expenditures to be made/incurred during FY2019.

Respectfully Submitted:

Michael Moran
Chief Financial Officer

RESOLUTION NO. 2018-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated November 20, 2018 entitled "Approval of FY2019 Comprehensive Budget",

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

THAT, The Board of Commissioners, hereby approves the attached, FY2019 COMPREHENSIVE BUDGET", and finds with respect to said Budget:

1. That the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. That the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Amended and Restated Moving to Work Demonstration Agreement of the Chicago Housing Authority with the US Department of Housing and Urban Development.

THAT, the Chief Executive Officer or his designee and Chief Finance Officer are authorized to execute and forward to the US Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

Eugene E. Jones, Jr.
Chief Executive Officer
Chicago Housing Authority